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August 25, 2020

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia SC 29210

**Re: Joint Application for Approval of Internal Corporate Restructuring Involving  
Merger of Chesnee Long Distance, Inc. into Chesnee Cable, Inc., both d/b/a Chesnee  
Communications, and for Transfer of Certificate of Public Convenience and  
Necessity  
Docket No. 2020-\_\_\_\_\_-C**


Dear Ms. Boyd:

Please find enclosed for filing on behalf of Chesnee Telephone Company ("Chesnee"), a Joint Application for Approval of Internal Corporate Restructuring Involving Merger of Chesnee Long Distance, Inc. into Chesnee Cable, Inc., both d/b/a Chesnee Communications, and for Transfer of Certificate of Public Convenience and Necessity. Under separate seal, we are filing a Motion for Protective Treatment and Basis for Filing *Exhibit C* to Application as a Trade Secret.

Thank you for your assistance.

Sincerely,

Burr & Forman LLP



Margaret M. Fox

MMF:khh

Enclosure: as stated

cc: Jeffrey M. Nelson, Esq.

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2020-\_\_\_\_-C

IN RE:	)	
	)	
Joint Application for Approval of Internal	)	APPLICATION
Corporate Restructuring Involving Merger	)	
of Chesnee Long Distance, Inc., into Chesnee	)	
Cable, Inc., both d/b/a Chesnee Communications,	)	
and for Transfer of Certificate of Public	)	
Convenience and Necessity	)	
_____	)	

Pursuant to S.C. Code Ann. §§ 58-9-310, 58-9-280(B), and applicable regulations of the Public Service Commission of South Carolina (the “Commission”), Chesnee Long Distance, Inc., d/b/a Chesnee Communications (“Chesnee LD”) and its affiliate, Chesnee Cable, Inc., d/b/a Chesnee Communications (“Chesnee Cable”) (collectively, the “Applicants”) respectfully petition the Commission for approval of an internal corporate restructuring involving the merger of Chesnee LD into Chesnee Cable and the resulting transfer of the Certificate of Public Convenience and Necessity (“CPCN”) held by Chesnee LD to Chesnee Cable. In support of this Application, the Applicants respectfully submit the following:

1. Chesnee LD is a South Carolina corporation that holds a Certificate of Public Convenience and Necessity, granted by this Commission by Order No. 1999-620 in Docket No. 1999-307-C, to provide interexchange telecommunications services within the State of South Carolina and granting alternative regulation of its service offerings.

2. Chesnee Cable is a South Carolina corporation that provides digital cable television services in Cherokee and Spartanburg counties in South Carolina. Chesnee Cable was incorporated in 1996. A copy of Chesnee Cable's Certificate of Existence from the South Carolina Secretary of State is attached hereto as **Exhibit A**.

3. The names and principal addresses of Applicants are as follows:

Chesnee Long Distance, Inc., d/b/a Chesnee Communications  
208 S. Alabama Ave.  
P.O. Box 430  
Chesnee, South Carolina 29323  
Tel: (864) 461-2211

Chesnee Cable, Inc., d/b/a Chesnee Communications  
208 S. Alabama Ave.  
P.O. Box 430  
Chesnee, South Carolina 29323  
Tel: (864) 461-2211

4. All correspondence, notices, inquiries and other communications regarding this Application should be sent to:

M. John Bowen, Jr.  
Margaret M. Fox  
Burr & Forman LLP  
Post Office Box 11390  
Columbia, South Carolina 29211  
Telephone: (803) 799-9800  
Email: [jbowen@burr.com](mailto:jbowen@burr.com); [pfox@burr.com](mailto:pfox@burr.com)

5. The name, title, and contact information of the person who should be contacted in connection with general management of the Applicants is:

Kim Shepherd  
Chief Executive Officer  
SkyLine Telephone Membership Corporation  
1200 NC Hwy 194 North  
West Jefferson, NC 28694  
Telephone: (336) 876-6163  
E-mail: [kim.shepherd@skyline.org](mailto:kim.shepherd@skyline.org)

6. Both Chesnee LD and Chesnee Cable are wholly owned subsidiaries of Chesnee Telephone Company, Incorporated, d/b/a Chesnee Communications (“Chesnee Tel”). Chesnee Tel is a wholly owned subsidiary of SkyLine Telephone Membership Corporation (“SkyLine”). Chesnee LD and Chesnee Cable share common management, employees and office facilities.

7. As part of a larger corporate restructuring, Chesnee LD will merge into Chesnee Cable, with Chesnee Cable being the surviving entity. Chesnee Cable will remain a wholly owned subsidiary of Chesnee Tel.<sup>1</sup> As the surviving entity, Chesnee Cable will automatically assume the assets and liabilities of Chesnee LD. Diagrams showing the current and proposed corporate structure are attached hereto as Exhibit B.<sup>2</sup>

8. The corporate restructuring is *pro forma* in nature, and the newly merged entity will continue to provide the same services as previously provided by Chesnee LD, utilizing the same facilities and employees. Chesnee LD and Chesnee Cable have both been doing business as Chesnee Communications, and customers will see no changes on their bills. The restructuring will be transparent to Chesnee LD’s customers, and there will be no change in the rates and other terms and conditions of the services available to customers.

9. In addition to approval of the merger, Applicants ask the Commission to approve the transfer of Chesnee LD’s CPCN to Chesnee Cable, including the authority to operate under alternative regulation. As stated above, Chesnee LD and Chesnee Cable share common management, employees and office facilities, and they are both wholly owned subsidiaries of Chesnee Tel. Therefore, Chesnee Cable has the same technical, financial, and managerial

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<sup>1</sup> As part of the larger reorganization, Chesnee Tel will move from being a direct subsidiary of SkyLine to become a subsidiary of SkyBest Communications, Inc., a wholly owned subsidiary of SkyLine. This change will be at the holding company level only, and will be transparent to Chesnee Tel’s customers.

<sup>2</sup> As part of the larger reorganization, Chesnee Digital, Inc., SkyBest Holding, LLC, and LTC Holding, Inc. will be dissolved. Chesnee Digital, Inc. is a South Carolina corporation that is not regulated by the Commission and has no assets. The other two entities do not do business in South Carolina.

resources available to it that Chesnee LD has. A copy of Skyline Telephone Membership Corporation and Subsidiaries' Consolidated Financial Statements are being submitted under seal as Exhibit C, along with a Motion for Protective Treatment. The Commission previously found that Chesnee LD's technical, financial, and managerial resources were sufficient to provide the services covered by its CPCN. *See* Commission Order No. 1999-620, at p. 4. Chesnee LD has been providing interexchange telecommunications services in the State of South Carolina for over twenty years.

10. The service Chesnee Cable will provide is the same service that Chesnee LD currently is providing, using the same facilities and employees. The service Chesnee Cable will provide will meet all service standards that the Commission may adopt, and the provision of service by Chesnee Cable will not adversely impact the availability of affordable local exchange service.

11. Chesnee Cable will participate in the support of universally available telephone service at affordable rates to the extent it may be required to do so by the Commission, and the provision of service by Chesnee Cable will not otherwise adversely impact the public interest.

12. As part of the transaction, Chesnee LD customers will become customers of Chesnee Cable. This change will be transparent to customers, as they will continue to receive the same service, under the same terms and conditions, using the same facilities and employees as before the transaction. Additionally, because both Chesnee LD and Chesnee Cable do business as "Chesnee Communications," customers will not see a change in the name of their service provider. Therefore, Applicants request a waiver, to the extent necessary, of any state requirements regarding a change in service providers. The Federal Communications Commission ("FCC") has established a streamlined notification process for the sale or transfer of

customer bases from one carrier to another,<sup>3</sup> and has stated that even this streamlined process does not apply in situations where a corporate restructure is invisible to the affected subscribers.<sup>4</sup> As the FCC stated, “in such cases, requiring notice of a change that is imperceptible to the affected subscribers might cause confusion where there would otherwise be none.”<sup>5</sup> The Commission follows guidelines approved by the FCC with respect to changes in utility providers. *See* S.C. Code Ann. § 58-3-230. We respectfully submit that no notice is required in this case, as it would only serve to confuse customers and disrupt the seamless transition of service.

13. Following approval of the transaction, Chesnee LD’s tariff on file with the Commission will be updated to reflect that it is issued in the name of Chesnee Cable Inc., d/b/a Chesnee Communications.

14. The corporate reorganization is in the public interest in that it will reduce eliminate unnecessary administrative processes and reduce administrative costs, permitting additional resources to be devoted to meeting the demands of consumers.

WHEREFORE, Applicants respectfully request that the Commission: (a) expeditiously grant any and all approvals required to implement the proposed internal corporate restructuring as described above; and (b) approve the transfer of the CPCN currently held by Chesnee LD to Chesnee Cable and the provision of interexchange telephone services by Chesnee Cable in the state of South Carolina; and (c) grant such other and further relief as is just and proper.

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<sup>3</sup> *See* 47 C.F.R. § 64.1120.

<sup>4</sup> *See* In the Matter of 2000 Biennial Review – Review of Policies and Rules Concerning Unauthorized Changes of Consumers Long Distance Carriers, First Report and Order in CC Docket No. 00-257 and Fourth Report and Order in CC Docket No. 94-129, FCC 01-156 (rel. May 15, 2001), at para. 13.

<sup>5</sup> *Id.* at para. 13, fn 24.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Margaret M. Fox", is written over a horizontal line.

M. John Bowen, Jr.

Margaret M. Fox

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P O Box 11390

Columbia, SC 29211

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Attorneys for Chesnee Long Distance, Inc., d/b/a Chesnee  
Communications and Chesnee Cable, Inc., d/b/a Chesnee  
Communications

Columbia, South Carolina  
August 25, 2020

EXHIBIT A

# *The State of South Carolina*



## *Office of Secretary of State Mark Hammond*

### **Certificate of Existence**

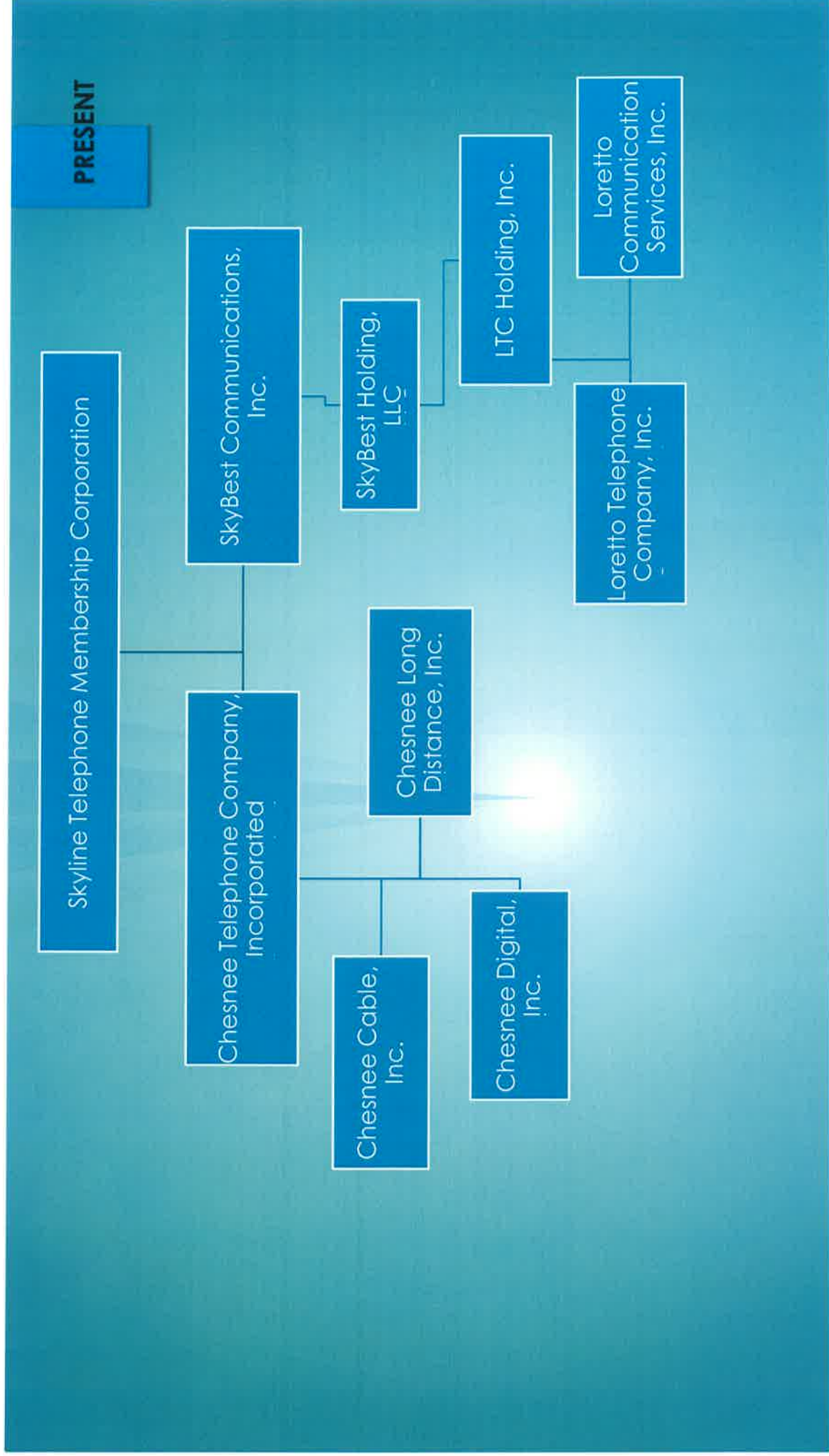
**I, Mark Hammond, Secretary of State of South Carolina Hereby Certify that:**

CHESNEE CABLE, INC, a corporation duly organized under the laws of the State of South Carolina on July 8th, 1996, and having a perpetual duration unless otherwise indicated below, has as of the date hereof filed all reports due this office, paid all fees, taxes and penalties owed to the State, that the Secretary of State has not mailed notice to the corporation that it is subject to being dissolved by administrative action pursuant to S.C. Code Ann. §33-14-210, and that the corporation has not filed articles of dissolution as of the date hereof.

Given under my Hand and the Great Seal of the State of South Carolina this 21st day of August, 2020.

  
Mark Hammond, Secretary of State

EXHIBIT B



## FUTURE

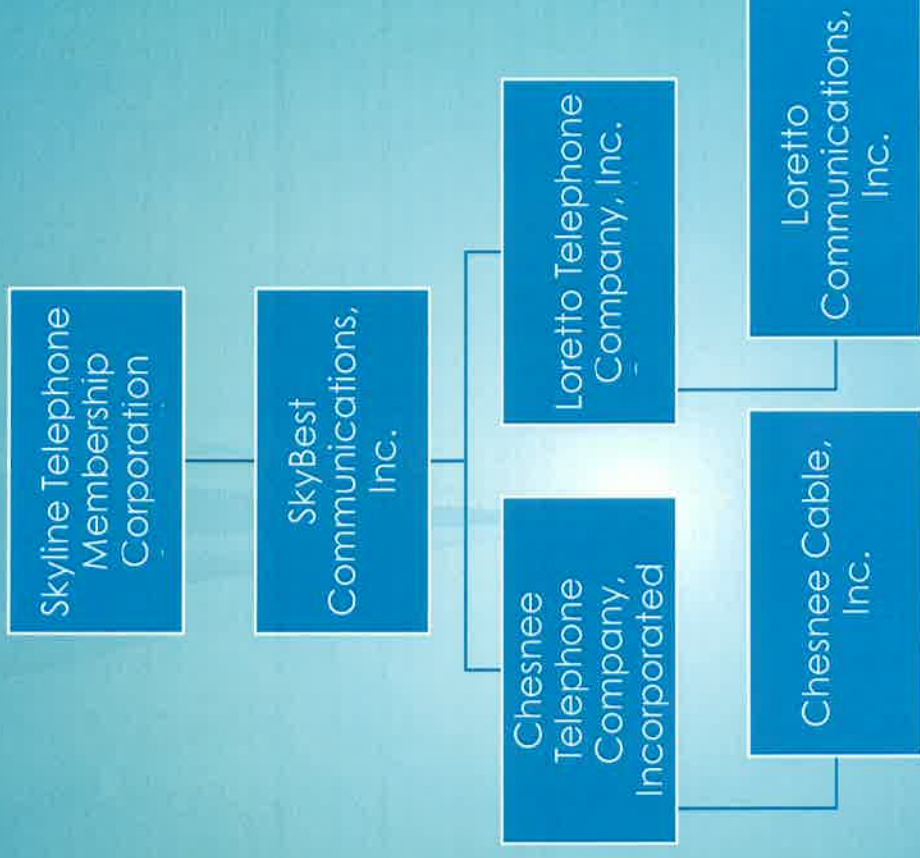


EXHIBIT C

Skyline Telephone Membership Corporation

And Subsidiaries – December 31, 2019

Consolidated Financial Statements

[submitted under seal]